

CMS Manual System

Pub 100-04 Medicare Claims Processing

Transmittal 617

Department of Health &
Human Services

Centers for Medicare &
Medicaid Services

Date: JULY 22, 2005

Change Request 3911

SUBJECT: Administration of Drugs and Biologicals in a Method II Critical Access Hospital (CAH)

I. SUMMARY OF CHANGES: This Change Request (CR) will revise a prior instruction in CR 3748 that required providers to bill their Fiscal Intermediary (FI) for Low Osmolar Contrast Material (LOCM) with HCPCS codes A4644 - A4646. Change Request 3748, Business Requirement 3748.4 further instructed providers not to report HCPCS codes Q9945 - Q9951 for LOCM. However, it has come to the attention of CMS that HCPCS codes Q9945 - Q9951 are reportable for physician involvement in the administration of LOCM in a Method II Critical Access Hospital (CAH). Consequently, this CR updates the instruction for Method II CAHs to allow HCPCS codes Q9945 - Q9951 to be reported for physician involvement in the administration of LOCM. The HCPCS codes A4644 - A4646 will continue to be reported by Method II CAHs for the technical component of the LOCM. This CR also provides coding guidance for Method II CAHs billing for physician involvement in the administration of other drugs and biologicals. Sections 250.8, 250.8.1, and 250.8.2 are being added to Chapter 4 of the Medicare Claims Processing Manual. These sections provide instructions for Method II CAHs billing for physician involvement in the administration of drugs and biologicals.

NEW/REVISED MATERIAL :

EFFECTIVE DATE : April 01, 2005

IMPLEMENTATION DATE : October 24, 2005

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)

R = REVISED, N = NEW, D = DELETED – Only One Per Row.

R/N/D	Chapter / Section / SubSection / Title
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N	4/250/250.8/Coding for Administering Drugs in a Method II Critical Access Hospital (CAH)
N	4/250/250.8.1/Coding for Low Osmolar Contrast Material (LOCM)
N	4/250/250.8.2/Coding for the Administration of Other Drugs and Biologicals

III. FUNDING:

No additional funding will be provided by CMS; Contractor activities are to be carried out within their FY 2005 operating budgets.

IV. ATTACHMENTS:

Business Requirements
Manual Instruction

**Unless otherwise specified, the effective date is the date of service.*

Attachment - Business Requirements

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SUBJECT: Administration of Drugs and Biologicals in a Method II Critical Access Hospital (CAH)

I. GENERAL INFORMATION

A. Background: This instruction provides clarification on the billing requirements for physician involvement (professional component) in the administration of drugs and biologicals in the outpatient department of a Method II (Optional Method) CAH.

Change Request (CR) 3748, Transmittal 502, Business Requirement 3748.4, dated March 11, 2005, instructed Fiscal Intermediaries (FIs) to continue to accept provider claims with HCPCS codes A4644-A4646. It also stated that providers should not report HCPCS codes Q9945-Q9951 for Low Osmolar Contrast Material (LOCM). Change Request 3748 did not specifically address what HCPCS codes should be used to bill the technical or professional components of the LOCM for services furnished in the outpatient department of a Method II CAH.

The regulation set forth at 42 CFR 413.70 governs how physician involvement in the administration of drugs and biologicals (other than LOCM) should be billed by a Method II CAH.

B. Policy: Both Method I (Standard Method) and Method II CAHs bill for technical services furnished in the outpatient department. Only Method II CAHs bill the Fiscal Intermediary (FI) for physician services furnished in the outpatient department.

Physician involvement in the administration of Low Osmolar Contrast Material (LOCM) shall be submitted on type of bill (TOB) 85X with Revenue Code 096X, 097X or 098X and HCPCS codes Q9945 - Q9951 by a Method II CAH. The Medicare Physician Fee Schedule (MPFS) payment for these HCPCS codes is based upon the facility specific visit rate. Facility specific visit rates apply to professional services performed in a facility other than the professional's office, and do not accommodate the overhead and indirect expenses a physician incurs by operating their own facility. The technical component for LOCM is billed with Revenue Code 0636 and HCPCS codes A4644, A4645 or A4646 on TOB 85X. A modifier is not needed when HCPCS codes Q9945, Q9946, Q9947, Q9948, Q9949, Q9950 or Q9951 is billed with HCPCS codes A4644, A4645, or A4646 on the same date of service.

Method II CAHs billing under TOB 85X shall report physician involvement for hydration; therapeutic or diagnostic injections and intravenous (IV) infusions (other than hydration); and chemotherapy administration using an appropriate outpatient hospital visit CPT code for evaluation and management (E & M) services with Revenue Code 096X, 097X or 098X.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3911.1	FIs shall educate Method II CAH providers on the billing requirements for physician involvement in the administration of drugs or biologicals in a Method II CAH.	X								
3911.2	FIs shall accept HCPCS codes Q9945 – Q9951 with revenue code 096X, 097X or 098X on TOB 85X from a Method II CAH billing for physician involvement in the administration of LOCM.	X								
3911.3	FIs shall accept CPT codes 99201 – 99205 or 99211 – 99215 with revenue code 096X, 097X or 098X on TOB 85X from a Method II CAH billing for physician involvement for hydration; therapeutic or diagnostic injections and intravenous (IV) infusions (other than hydration); or chemotherapy administration.	X								
3911.4	FIs should not search their files to either retract payment or retroactively pay claims.	X								
3911.5	FIs shall adjust claims if they are brought to their attention.	X								

III. PROVIDER EDUCATION

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	

Requirement Number	Requirements	Responsibility (“X” indicates the columns that apply)								
		F I	R H I	C a r r i e r	D M E R C	Shared System Maintainers				Other
						F I S S	M C S	V M S	C W F	
3911.6	A provider education article related to this instruction will be available at www.cms.hhs.gov/medlearn/matters shortly after the CR is released. You will receive notification of the article release via the established "medlearn matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web site and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin and incorporated into any educational events on this topic. Contractors are free to supplement Medlearn Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X								

IV. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

V. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: April 01, 2005 Implementation Date: October 24, 2005 Pre-Implementation Contact(s): Susan Guerin at 410-786-6138 or susan.guerin@cms.hhs.gov ; Cindy Murphy at 410-786-5733 or cindy.murphy@cms.hhs.gov . Post-Implementation Contact(s): Appropriate regional office	No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 2005 operating budgets.
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Medicare Claims Processing Manual

Chapter 4 - Part B Hospital (Including Inpatient Hospital Part B and OPPS)

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Biologicals*

250.8 – Coding for Administering Drugs in a Method II Critical Access Hospital (CAH)

(Rev. 617, Issued: 07-22-05; Effective: 04-01-05; Implementation: 10-24-05)

This section provides billing guidance and payment instructions for hospitals when providing drugs and drug administration services in a Method II CAH.

250.8.1 – Coding for Low Osmolar Contrast Material (LOCM)

(Rev. 617, Issued: 07-22-05; Effective: 04-01-05; Implementation: 10-24-05)

Method II CAHs bill outpatient physician involvement (professional component) for the administration of Low Osmolar Contrast Material (LOCM) with revenue code 96X, 97X or 98X on type of bill (TOB) 85X. Bills must include one of the following HCPCS codes as appropriate:

- | | |
|--------------|---|
| <i>Q9945</i> | <i>Low osmolar contrast material (up to 149 mg/ml iodine concentration, per ml);</i> |
| <i>Q9946</i> | <i>Low osmolar contrast material (150 - 199 mg/ml iodine concentration, per ml);</i> |
| <i>Q9947</i> | <i>Low osmolar contrast material (200 - 249 mg/ml iodine concentration, per ml);</i> |
| <i>Q9948</i> | <i>Low osmolar contrast material (250 - 299 mg/ml iodine concentration, per ml);</i> |
| <i>Q9949</i> | <i>Low osmolar contrast material (300 - 349 mg/ml iodine concentration, per ml);</i> |
| <i>Q9950</i> | <i>Low osmolar contrast material (350 - 399 mg/ml iodine concentration, per ml); and</i> |
| <i>Q9951</i> | <i>Low osmolar contrast material (400 or greater mg/ml iodine concentration, per ml).</i> |

The Medicare Physician Fee Schedule (MPFS) payment for Q9945 – Q9951 is based upon the facility specific visit rate. Facility specific visit rates apply to professional services performed in a facility other than a professional's office and do not accommodate the overhead and indirect expenses a physician incurs by operating his/her own facility.

The technical component for LOCM is billed by both Method I and Method II CAHs with revenue code 636 and one of the following HCPCS codes as appropriate:

A4644 Supply of low osmolar contrast material (100 – 199 mgs of iodine);

A4645 Supply of low osmolar contrast material (200 – 299 mgs of iodine); and

A4646 Supply of low osmolar contrast material (300 – 399 mgs of iodine).

A modifier is not needed when HCPCS codes Q9945, Q9946, Q9947, Q9948, Q9949, Q9950 or Q9951 is billed with HCPCS codes A4644, A4645, or A4646 on the same date of service.

250.8.2 – Coding for the Administration of Other Drugs and Biologicals

(Rev. 617, Issued: 07-22-05; Effective: 04-01-05; Implementation: 10-24-05)

Outpatient physician involvement for hydration; therapeutic or diagnostic injections and intravenous (IV) infusions (other than hydration); and chemotherapy administration in a Method II CAH is included in the physicians evaluation and management (E & M) services. Bills must include an appropriate outpatient hospital visit E & M CPT code with revenue code 96X, 97X or 98X on TOB 85X.

See §250.2 for information on fee schedule payment for professional services.